EXHIBIT 1

Redacted Excerpts of Deposition of Lorenzo Fertitta

UNITED STATES DISTRICT COURT DISTRICT OF NEVADA

Cung Le, Nathan Quarry, Jon Fitch, on behalf of themselves and all others similarly situated,

Plaintiffs,)

) Lead Case No.) 2:15-cv-01045-RFB-(PAL)

Zuffa, LLC, d/b/a Ultimate Fighting Championship and UFC,

Defendant.)

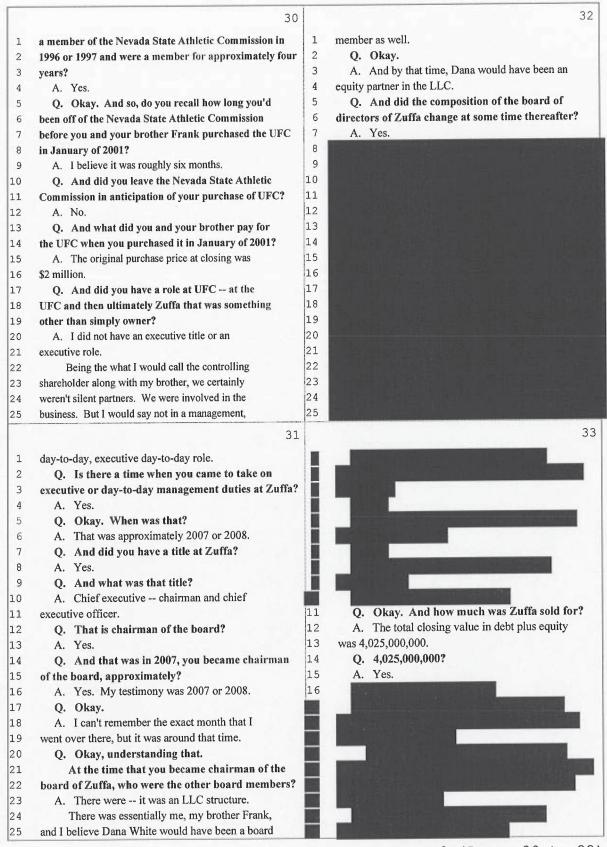
CONFIDENTIAL

VIDEOTAPED DEPOSITION OF LORENZO J. FERTITTA

Las Vegas, Nevada March 23, 2017

9:09 a.m.

REPORTED BY: CYNTHIA K. DURIVAGE, CSR #451 JOB NO. 49608



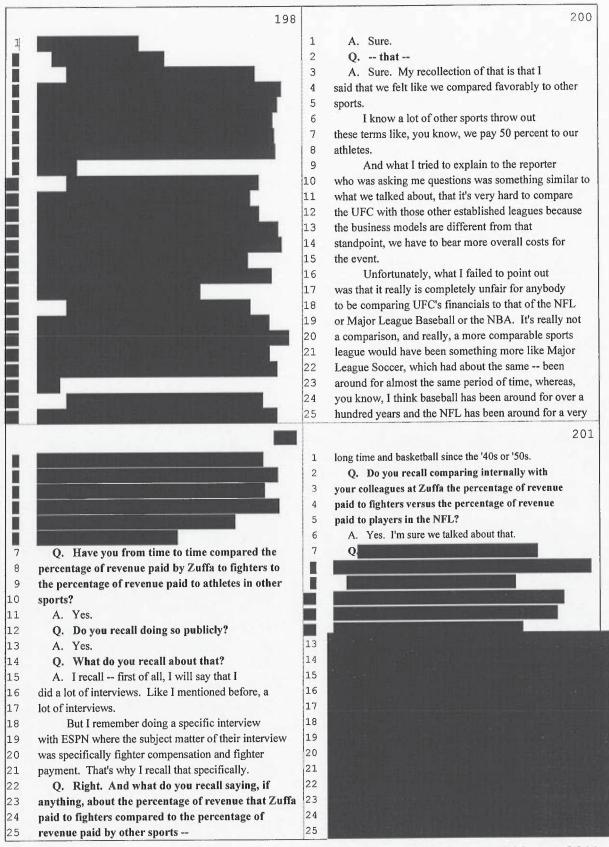
68 66 Q. And during the course of your tenure as CEO 1 1 A. That is a good clarification. I wasn't and chairman of Zuffa, did you come to the view that 2 2 thinking in those terms. the real competitors of UFC were what else -- the 3 Q. Okay. Going forward, I want to be clear, 3 4 other things were happening in sports entertainment 4 so I don't have to be incorporating --5 rather than other MMA organizations? 5 MR. ISAACSON: Does that affect your last 6 A. Yes. 6 answer? MR. ISAACSON: Objection to form. 7 7 BY MR. DELL'ANGELO: 8 THE WITNESS: Yes. 8 Q. I think it was incorporated into the 9 BY MR. DELL'ANGELO: 9 question, the prior answer. 10 Q. Okay. And why is that? 10 A. Yes. It would affect my last answer. I A. The way I approached the business and 11 11 took the question as at any time, and that's why I thought about the business was that, at the end of 12 reflected back to the very early years when UFC first 12 the day, mixed martial arts, one of our events, UFC, 13 13 started type of thing. is a form of entertainment and sports. Sports 14 14 Q. I see. So would you like to clarify? 15 entertainment, clearly. Which means, when you think 15 A. I'm sorry? 16 about our core demographic, young males, 18 to 34, Q. Is there anything you feel that you need to 16 was the demographic we primarily targeted, we had to 17 17 clarify? 18 think about what else was consuming their time for A. Yes. Yes. During the time that I was 18 19 that entertainment time, that period. 19 tenured at CEO of the company, I would say that --20 So we actually spent a lot of time talking 20 relating back to your question, which I believe 21 about it internally, doing analysis, thinking about 21 was -- if you could just repeat the question and we 22 it. It affected where we would put an event. It 22 could start over, that would be fantastic. 23 affected what date we would put an event on because 23 Q. Sure. 24 we felt like not only were we competing with other During the course of your tenure as CEO and 24 25 promoters and leagues in mixed martial arts but also 25 chairman of Zuffa, did you come to the view -- did 69 67 other sports, the NFL, the NBA, Major League you come to a view as to whether or not consumers 1 1 2 Baseball. 2 distinguished mixed martial arts from the UFC? 3 And certainly I always wanted to stay away 3 A. I believe that consumers, certainly from March Madness. Wanted to stay away from boxing, 4 educated consumers, understood the difference between 4 major boxing events, primarily a Floyd Mayweather 5 5 UFC and mixed martial arts. 6 fight, Manny Pacquiao fight. Q. Okay. And did that view change at any time 6 during the course of your tenure as CEO and chairman 7 In addition to that, we would do some 7 analysis looking at what theatrical releases were 8 8 of Zuffa? coming out, you know. Probably not a great idea to 9 A. No. 9 hold a big pay-per-view or pay-per-view or do an 10 10 O. During the course of your tenure as CEO and 11 event on the same night that maybe Avatar or X Men or chairman of Zuffa, did you ever come to believe that 11 the UFC had transcended the sport of MMA to become 12 some other movie that clearly was targeting our core 12 13 demographic was going to be released. 13 the sport itself? 14 Q. Okay. And during the course of your tenure 14 A. Yes. I felt like that UFC was the most as chairman and CEO of Zuffa, did there come a time 15 15 popular brand in the sport of mixed martial arts. when, you know, the top 10 fighter in every MMA And that at times, as I mentioned, no different than 16 16 17 division was under the UFC's umbrella? 17 other industries where people say I'm going to get in MR. ISAACSON: Objection to form. 18 18 the Jacuzzi where Jacuzzi is actually a brand name. 19 You may not be getting into a Jacuzzi. Actually, 19 THE WITNESS: I don't know. 20 BY MR. DELL'ANGELO: 20 that represents a hot tub. 21 Q. I'd like to show you a video clip. 21 As I said, many times people say hand me a 22 Kleenex versus saying hand me a tissue. Many times, 22 A. Um-hmm. THE REPORTER: You don't need me to record 23 23 people say give me a Coke versus just being a soda. 24 So I believe that UFC was the most that, right? 24 MR. DELL'ANGELO: No. We're going to 25 identified brand in the sport of mixed martial arts. 25

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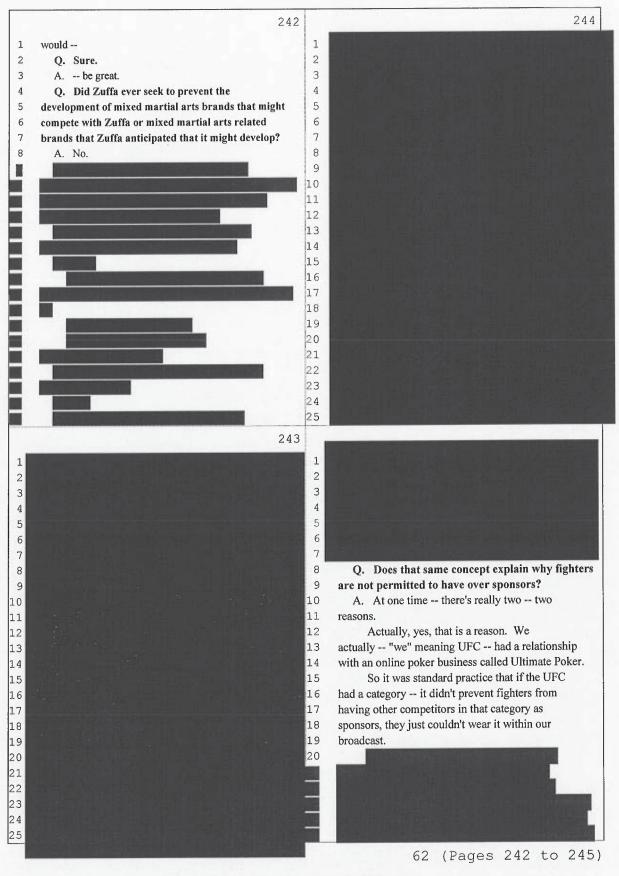
148 146 Q. And did that brand by at least 2010 also 1 Q. Versus some other MMA promotion? 1 2 A. Maybe they would have had the same feeling 2 indicate to consumers that the UFC's fighters were with another one. I can just tell you the experience 3 the best in the world? 3 A. That's what we -- yes. That's what we set 4 4 that I had in speaking to athletes. up to accomplish from a branding standpoint. 5 5 Q. Okay. And by 2014, do you agree that Zuffa Whether or not they were, I don't know. 6 strove to make sure that the events that it produced 6 But in the eyes of the consumer, the idea was that if 7 7 were headlined by fighters who were ranked in the a fighter was in the UFC, it meant that they were one 8 8 top 10 in mixed martial arts? of the best fighters in the world. 9 9 A. Yes, but it depends on what events you're O. And so, fair to say that from a consumer's 10 referring to because there were a number of events in 10 the UFC. We had a number of events which typically 11 perspective, even if the consumer didn't necessarily are on pay-per-view or a few times were on broadcast, 12 know the fighter by name, the fighter -- or, excuse 12 13 me -- the consumer would know that when it was 13 on Fox broadcast. 14 watching a UFC event, it was seeing the best 14 We had fight nights that were predominantly 15 fighters, you know, out there at the time? 15 on cable. That would be Fox Sports 1 and Fox 16 MR. ISAACSON: Objection, calls for hearsay 16 Sports 2. 17 and mind reading. 17 And then, we had some fights we did, as I THE WITNESS: Yes. From the standpoint of 18 18 mentioned Fight Pass, which was a digital our branding and our marketing, the idea was that 19 19 over-the-top platform. when the consumer saw that there was a UFC fight, It wasn't so much about fighters being as 20 20 they would think they were -- or, assume that they much in the top 10, but when you're talking about the 21 21 22 were watching the best. numbered events, typically, those are headlined by 22 23 It's no different than if you go to -- if the more popular or more accomplished fighters. So 23 by default, they would probably be in someone's 24 you go to Tiffany's and buy a diamond, in the 24 25 consumer's mind, for whatever reason, it's better top 10 because there's, you know, different rankings 25 149 147 than the same exact diamond that maybe you buy down out there at any given time. 1 1 2 the street. It's the same product, but because it's 2 Q. Throughout of your testimony today, I in the little turquoise box, there's perceived value 3 3 believe --4 in that brand. Brands have value, and we believe 4 A. Yes. 5 that we created consumer value in the UFC brand. 5 Q. -- you've referred to the UFC a number of 6 BY MR. DELL'ANGELO: 6 times as a brand. 7 Q. Regardless of the value of the brand, 7 Is that a fair statement? 8 there's differentiation in the product that different 8 A. Yes. 9 brands sell, isn't there? 9 Q. And in your view, by 2010, what did that 10 A. Yes. 10 brand represent? A. In my view, the UFC represented best in 11 MR. ISAACSON: Objection to form. 11 THE WITNESS: Yes. class in combat sports, it represented best in class 12 12 13 BY MR. DELL'ANGELO: 13 in sports in general. It was finally a recognizable 14 Q. Okay. 14 A. Some brands do a better job than others. 15 15 You've got to understand, when we bought 16 Q. Right. But are you familiar with the the UFC in 2001, it was probably the most tarnished 16 17 jeweler Van Cleef & Arpels? brand in sports. I mean, it's hard to get worse than 18 A. Yes. Senator John McCain calling us human cockfighting and 18 19 Q. And are you familiar with a jeweler Zales, 19 then living with that for a number of years as the moniker that when people hear the word UFC, the first 20 20 for example? 21 A. Yes. thing that comes to mind is human cockfighting. 21 22 Q. Do you think that they are selling 22 So through the work and the capital we comparable products or products of equal value? 23 invested and the business strategies that we put in 23 MR. ISAACSON: Objection. 24 24 place, yes, by 2010, I believe that the brand UFC THE WITNESS: I would say that Van Cleef & represented something that was a positive. 25

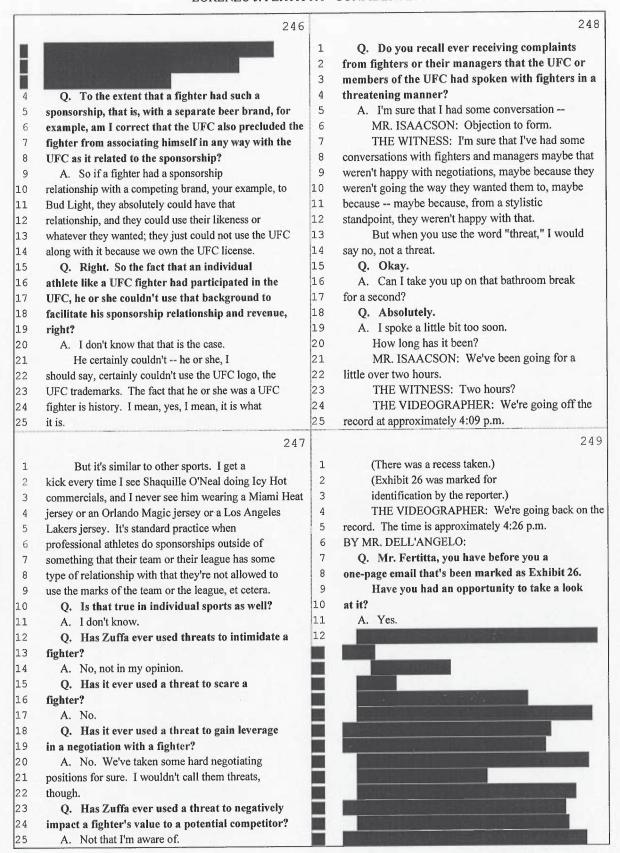
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196 194 A. I have a general percentage of what 1 going to be aired on Fox Sports 1. 1 percentage that's paid to fighters over time. 2 So we looked at the card. Obviously, the 2 3 main event of the main card was the biggest fight of 3 Q. Okay. And what is that? A. So when looking at UFC fighter pay, a lot 4 the night. But we would pepper in fights all 4 5 of times, people want to try to compare us to other throughout the entire night. Also, as a way to get 5 sports' percentage, but there are some issues there. 6 fans to show up to the venues early because they were 6 And one of the things I've always felt fights that mattered. It was part of our business 7 7 strongly about and believe is you've got to put 8 8 strategy. apples for apples when you're starting to compare 9 9 Q. When the UFC would put on a pay-per-view percentages. You can get -- you can get false 10 event, were all the fights on the card televised? 10 11 information if you don't otherwise do that. 11 A. In the early days, no. And then, at some 12 period, when we were on Spike TV, prior to our Fox 12 UFC is very different from other sports entities and sports leagues. And what I mean by that 13 contract, we actually learned from Affliction. They 13 14 is that we bear all the cost of production and came up with a great idea. They did their first 14 15 marketing for an event compared to, say, other 15 pay-per-view. It was a smashing success for them. leagues which, typically what they do is they take a 16 16 And they broadcast their prelims on cable TV. license from a network, and they essentially hand 17 17 We were like, that's a really good idea. that network the responsibility of broadcasting that 18 18 And pretty much from there on out, I think we started event, promoting that event, marketing that event. 19 broadcasting our prelims on Spike. 19 20 And then, once again continued do that as a 21 strategy with Fox. And then, when technology developed to the 22 point where you could do live streaming, we added 23 24 Fight Pass -- or actually, I just reminded myself, we first started broadcasting the first two or three 25 197 195 fights on Facebook. We were actually the first 1 1 2 sports organization to broadcast and stream a live 2 3 3 event on Facebook in a way to get broad distribution 4 4 and eyeballs. 5 5 So over time, it evolved into that, yes. 6 6 Q. And despite Affliction's great idea, 7 7 they're no longer in business either, right? 8 A. They are not in business, no. 9 Q. Have you ever sought to calculate what percentage of Zuffa's revenue is paid to fighters as 10 10 O. And can you explain what that means? 11 11 fighter compensation? 12 A. Sure. Sure. 12 A. Yes. So if you're another sports league and a Q. And have you made that calculation for 13 13 14 network pays you a hundred dollars because that every year that the company is in business? 14 15 network is going to bear the expense of all the 15 A. Yes, I'm pretty confident we have. production and marketing -- and by the way, they're 16 16 Q. And is it fair to say that's probably a also going to sell ads and generate revenue on that 17 17 relatively easy calculation to make if you have end, that revenue and that expense doesn't sit on the 18 18 financials or the income statements? income statement or balance sheet of that company. 19 19 A. Yes. 20 So they get the license fees, and they 20 Q. Okay. So do you know what the percentage of revenue, of Zuffa's revenue that was paid to 21 don't have the same expenses associated with the 21 22 event that we would because we're actually incurring 22 fighters as fighter compensation in 2009? 23 all those costs. 23 A. I don't specifically -- no, I don't 24 specifically know the amount paid in 2009. 25 Q. Okay.

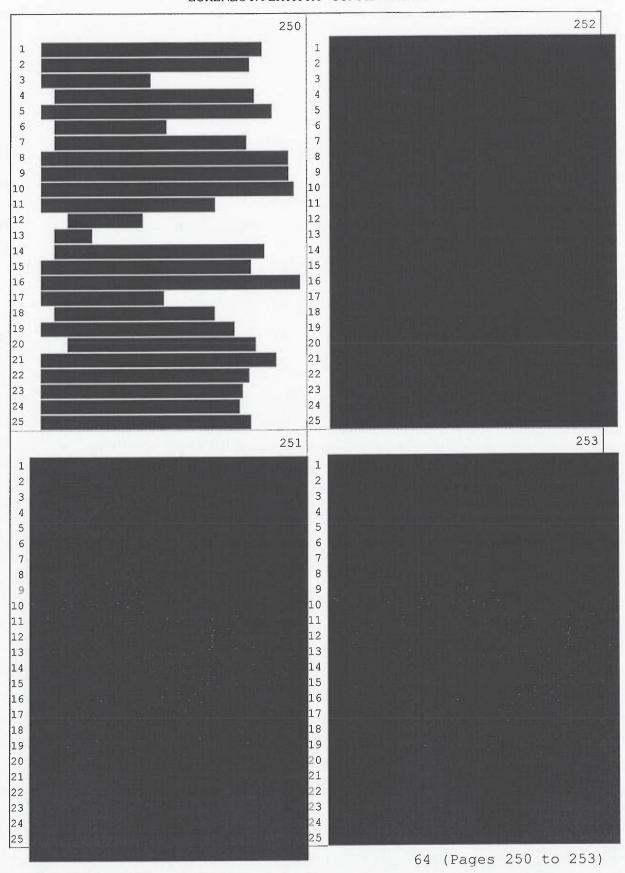


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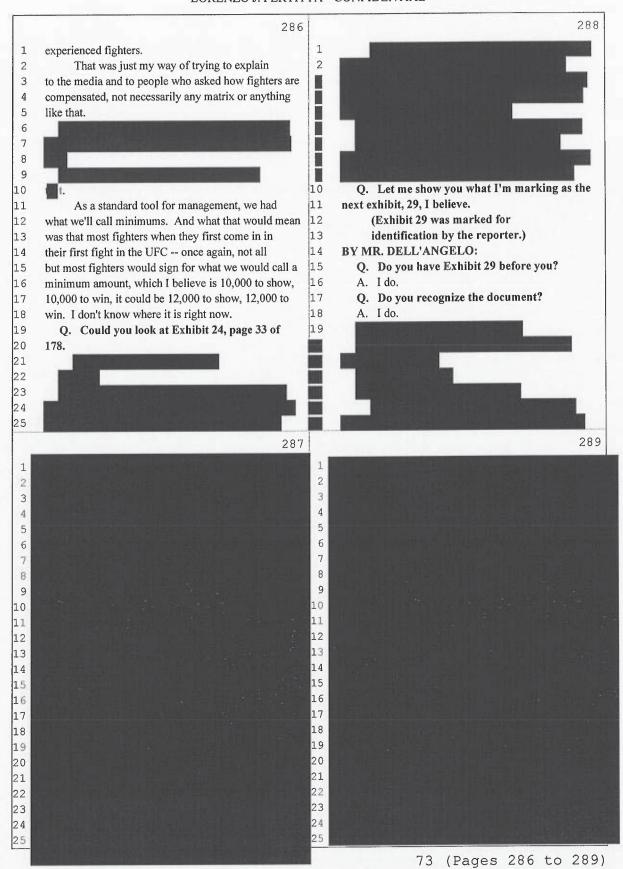




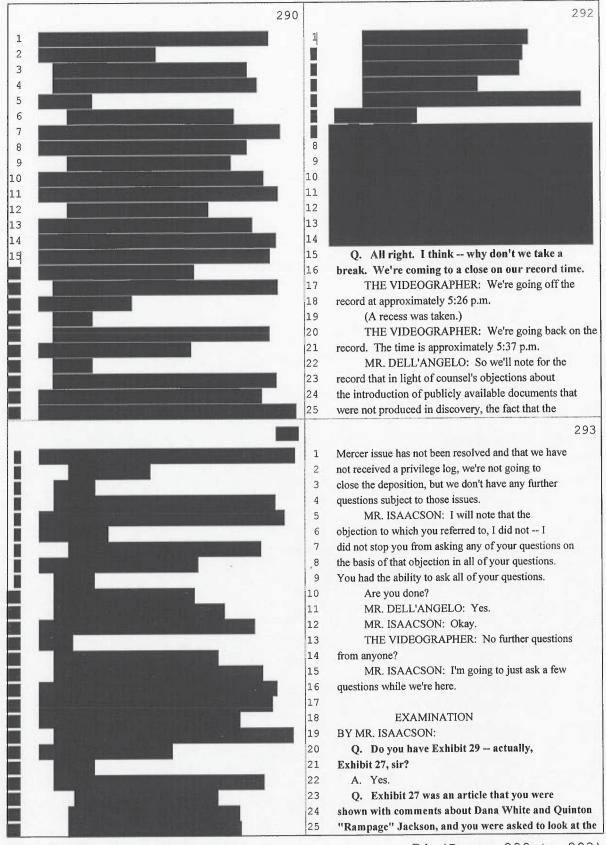
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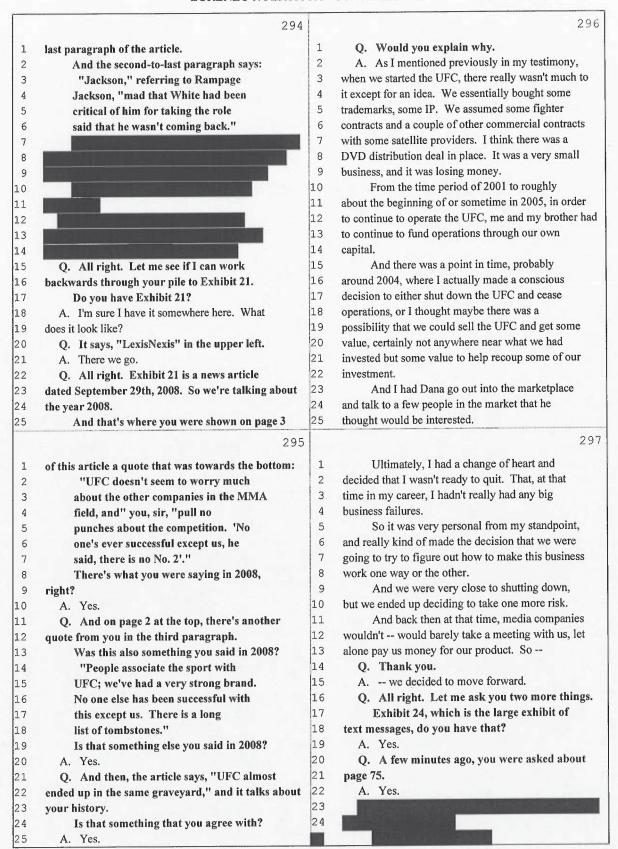
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	302		304
1		1	INSTRUCTIONS TO WITNESS
2	STATE OF)	2	
3) :ss	3	Please read your deposition over carefully
4	COUNTY OF)	4	and make any necessary corrections. You should state
5		5	the reason in the appropriate space on the errata
6		6	sheet for any corrections that are made.
7	I, LORENZO J. FERTITTA, the	7	After doing so, please sign the errata sheet
8	witness herein, having read the foregoing	8	and date it.
9	testimony of the pages of this deposition,	9	You are signing same subject to the changes
10	do hereby certify it to be a true and	10	you have noted on the errata sheet, which will be
11	correct transcript, subject to the	11	attached to your deposition.
12	corrections, if any, shown on the attached	12	It is imperative that you return the original
13	page.	13	errata sheet to the deposing attorney within thirty
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16	LORENZO J. FERTITTA	16	may be deemed to be accurate and may be used in court.
17	DOTELLEO VITERITI	17	
18		18	
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20	Sworn and subscribed to before	20	
01	me, this day of	21	
21 22	, 2017.	22	
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25	Notary Public	25	
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1	CERTIFICATE OF REPORTER	1	ERRATA
2	I, Cynthia K. DuRivage, a Certified	2	
3	Shorthand Reporter of the State of Nevada, do hereby	3	
4	certify:	4	
5	That the foregoing proceedings were taken	5	I wish to make the following changes,
6	before me at the time and place herein set forth;	6	for the following reasons:
7	that any witnesses in the foregoing proceedings,	7	
8	prior to testifying, were duly sworn; that a record of the proceedings was made by me using machine	8	PAGE LINE
9 10	shorthand which was thereafter transcribed under my	9	CHANGE:
11	direction; that the foregoing transcript is a true	10	REASON:
12	record of the testimony given.	11	CHANGE:
13	I further certify I am neither financially	12	REASON:
14	interested in the action nor a relative or employee	13	CHANGE:
15	of any attorney or party to this action.	14	REASON:
16	Reading and signing by the witness was	15	CHANGE:
17	requested.	16	REASON:
18	IN WITNESS WHEREOF, I have this date	17	CHANGE:
19	subscribed my name.	18	REASON:
20	Dated: April 6th, 2017	19	CHANGE:
21		20	REASON:
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0.0	CVNITHA IZ D. DIVACE	22	
23	CYNTHIA K. DuRIVAGE CCR No. 451	23	WITNESS' SIGNATURE DATE
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